

**Central Falls Detention Facility Corporation Meeting Minutes**  
**Monday, March 17, 2014**  
**Wyatt Detention Facility Training Building**  
**935 High Street**  
**Central Falls, RI 02863**  
**2:00 P.M.**  
**TDD/TTY 401-727-7450**

A meeting of the Central Falls Detention Facility Corporation was held on the above date in the Training Building at 2:00p.m.

- 1) Call to order / Roll Call – 2:00 p.m.

All Members present: Chairman Doherty, Director Tillinghast, Director Cabral, and Director Rios

- 2) Pledge of Allegiance

- 3) Public Comment  
No public comment

- 4) Approval of Minutes 2/11/14

Motion to approve the minutes of the 2/11/2014 meeting made by Director Cabral; seconded by Director Rios. All were in favor. Motion passed.

- 5) New Business

A. Report of CFO

- 1) Current Cash Report

The following is a brief summary of the financial results for Central Falls Detention Facility Corp. for the period ended February 28, 2014.

**REVENUE**

Total revenue for the month was approximately \$1.5M, a decrease of \$267K compared to January. The decrease was due to contract services being lower by \$220K (less mandays to bill), transportation being lower by \$20K, telephone and commissary revenue was also lower by \$27K. ADP for the month was 499 compared to 520 for January.

Revenue for the month was unfavorable to budget by \$396K. The budgeted ADP was 598 for the month compared to the actual of 499.

YTD Revenue is \$3.3M, \$632K unfavorable to budget.

**OPERATING EXPENSES**

Total operating expenses for the month were \$1.3M, \$168K lower than January. Total operating expenses for the month were \$37K favorable to the budget.

YTD operating expenses are \$2.8M, \$18K favorable to budget.

### ***Salaries and Fringe***

Total salaries and fringe were approximately \$896K, \$19K favorable to budget attributable to overtime expense being lower than budgeted.

### ***Inmate Care Expenses***

Total inmate care expenses were approximately \$114K, \$14K favorable to budget. The decrease was due to lower food service expenses - \$6K, medical supplies - \$2K, professional services - \$3K, and programs & education - \$3K.

### ***Direct & Administrative Expenses***

Total direct and administrative expenses were approximately \$129K, and were \$34K favorable to budget. The decrease was due to lower than expected legal expense of \$32K and legal settlements of \$2K.

### ***Insurance Expense***

Total insurance expenses were approximately \$46K and on budget.

### ***Building & Utility Expenses***

Total building and utility expenses were approximately \$136K, \$30K unfavorable to budget. This was due to increased building repairs of \$8K for air-handler motors and higher than expected electrical and gas utility billings of \$22K.

## **OPERATING INCOME**

Operating income for the month was \$174K, \$322K unfavorable to budget. The decrease is the primary result of the shortfall in revenue related to the lower than anticipated ADP.

YTD operating income is \$447K, \$614K unfavorable to budget.

## **NON-OPERATING REVENUE/EXPENSE**

Non-Operating Expenses for the month were \$807K, \$7K favorable to budget. The variance is due to the way the depreciation is being calculated.

## **CHANGE IN NET ASSETS**

Change in net assets for the month was a decrease of \$632K compared to a budgeted decrease of \$317K.

## **2) Overview of accounts update**

The following are the cash balances in the trustee accounts as of February 28, 2014:

General Revenue Fund	\$1,655,089
Debt Service Fund	\$ 403,240
Capital Improvement	\$ 4
O & M Account	\$ 185,015
Debt Service Reserve Fund	\$3,020,650
Fees & Expenses	\$ 95,599

CFO Cuzzupe stated that the debt service reserve fund should be at \$8.8M. There is a current shortfall of \$5,779,350.

Director Tillinghast commented that contract services on a per-ADP basis is to-the-penny to the plan (budget). We're about .11 per inmate-day on total revenue. This appears to be attributable to the telephone revenue. He asked if this is related to the law change as opposed to the ADP. CFO Cuzzupe commented that he had estimated the amount due to the expected decrease caused by the law change. He did not have actual figures yet.

Chairman Doherty asked why staff salaries and wages was approximately \$27K over-budget. CFO Cuzzupe said that the vacation time used was lower than budgeted, so this reflects as an increase in regular salaries. The two actually offset each other.

Mike Geezil, consultant, commented that the facility is \$700K short in the debt service fund at this point, so we already have a lien on the debt service reserve fund, currently at \$3M, for this amount. Legal fees are showing a positive to-budget of \$58K for the attorneys that we engage. The bondholders' attorneys fund is accruing at approximately \$50K/month. We have not received a bill from them yet this year. This year may show some savings in legal, but that is yet to be proven.

Director Tillinghast asked CFO Cuzzupe whether he expects to be able to make the July 1<sup>st</sup> payment to the bondholders. CFO Cuzzupe said that he does expect to be able to make the payment. There should be a remaining balance of about \$200K in the reserve fund once that payment is made. He commented that without any changes in the debt structure or significant changes to the ADP, it was unlikely that the facility would be able to make the next January 1<sup>st</sup> payment. Cuzzupe concurred.

Chairman Doherty recognized Councilwoman Tia Ristaino-Siegel, who was present at the meeting. He said that at the last meeting, Director Tillinghast mentioned that it might be beneficial to have the fifth board member to attend the training scheduled for today. He has spoken to the Mayor about this. The Mayor was having some difficulty in filling the fifth seat on the Board.

B. Reports of the Warden and/or Legal Counsel (as necessary); ADP update; Emergency purchases.

Warden Murphy offered the following:

- ADP today is 484; end of day ADP is expected to be 485; ADP for January was 520; January's ADP was 499.
- ADP year-to-date is 510.
- We have thirty-six (36) candidates left in the process for Class 35. The run portion of the agility test will have to be rescheduled because the weather was inclement on the date of the testing. The next expense with this class will be the psych testing, which will need to be scheduled fairly quickly. The cost for this testing will be about \$15,750. Discussion ensued as to whether or not to continue the process at this time or to delay. Warden Murphy pointed out that he wanted to be prepared for the attrition of current staff. Director Tillinghast commented that he would like to know the cost of not running the Academy and the related effect on staff salaries in August, September, and October. Warden Murphy briefly explained the staffing model to the Board. Mike Geezil pointed out that the psych test does not start the class and that the \$15K investment is necessary regardless of when the class starts. Director Tillinghast said that, if he understood correctly, the

Board could authorize the psych test without approving the start of the Academy. Warden Murphy affirmed. Director Cabral asked, if we do not have the additional personnel, would that impact our ability to accept more detainees should the opportunity arise? Warden Murphy said that, if he lost a segment of people, he could get to a point where he wouldn't be able to draft people day after day to manage a larger population. Director Tillinghast said that he does not have a big concern with the psych tests being scheduled as long as the Board maintains the ability to delay the start of the Academy. He is more concerned with the additional \$50K in salaries that would result from hiring this group.

Motion to approve the Warden's request to proceed with the process was made by Director Tillinghast; seconded by Director Cabral. All were in favor. Motion passed.

- One emergency purchase is necessary this month. CFO Cuzzupe explained that we will need to spend about \$6K to replace the back-up batteries in the DVR Room. The current batteries have been failing and need to be replaced. Warden Murphy explained that this is the battery back-ups for all our systems. Chairman Doherty asked if this would go out through the RFP process. CFO Cuzzupe said that, because this was an emergency purchase, it did not have to go out for an RFP. Chairman Doherty asked who we were purchasing from. Cuzzupe said that we were purchasing from Snyder Electric, based in Andover, MA.

Motion to approve the emergency purchase of back-up batteries was made by Director Tillinghast; seconded by Director Rios. All were in favor. Motion passed.

- There were three minor detainee-on-detainee altercations last month.
- One detainee attempted to commit suicide last week because he wanted to stay here.
- A positive letter that was received from a public-defender in Boston concerning the medical care that his client received at this facility is included in the Board member's packets

Motion to accept the Warden's report was made by Director Tillinghast; seconded by Director Rios. All were in favor. Motion passed.

6) Old Business

A. Class 35

Discussed during Warden's Report

7) Agenda items for next Board Meeting scheduled for April 16, 2014 @ 5:00 p.m.

Next Board meeting was rescheduled to Monday, April 14, 2014 @ 5:00 p.m. No agenda items discussed at this time.

Motion to go into Executive session made by Director Tillinghast at 2:36 p.m.; seconded by Director Rios. All were in favor. Motion passed.

8) Executive Session pursuant to RIGL § 42-46-5 for the following purposes:

- A. RIGL § 42-46-5(a)(2) and RIGL § 42-46-5(a)(4) for the purpose of reviewing issues regarding litigation concerning Cornell, and contract negotiations.

- B. RIGL § 42-46-5(a)(2) and RIGL § 42-46-5(a)(3) for the purpose of discussing reassessment of the model for legal services.
- C. RIGL § 42-46-5(a)(3) for the purpose of receiving an operational report from the Warden.

Motion to return to Open Session made by Director Rios at 3:36p.m.; seconded by Director Tillinghast. All were in favor. Motion passed.

Chairman Doherty stated that, during Executive Session, the Board voted twice. First, they voted to approve the contract negotiations between the FOP and the CFDFC, pursuant to a presentation by Attorney Vin Ragosta. Next, they voted to approve Attorney Tom Tarro to settle with Cornell Corrections of Rhode Island contingent upon approval from the bondholders.

#### 8) Adjournment

Motion to adjourn made by Director Cabral at 3:37p.m.; seconded by Director Rios. All were in favor. Motion passed.